

OSTER
Researching Services

12897 Colonial Dr. • Mt. Airy, Md. 21771
301-253-6040

19740-G

May 13, 1996

Mr. Vernon Williams
Secretary
Surface Transportation Board
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recording with the Surface Transportation Board
is an Assignment and Assumption Agreement dated 5/8/96 between the
following parties:

Assignor: NorRail, Inc.
308 12th Avenue South
Buffalo, MN 55313

Assignee: FBS Business Finance Corporation
601 Second Avenue South
Minneapolis, MN 55402

Please record this agreement as a secondary document to STB
Recordation #19740 and cross-index under "FBS Business Finance
Corporation." The filing fee of \$21 is enclosed.

Thank you for your assistance.

Sincerely,

Mary Ann Oster

Mary Ann Oster
Research Consultant

Enclosures

Counterparts - Mary Ann

19740-6

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment") is made and entered into as of May 08, 1996, by FBS BUSINESS FINANCE CORPORATION, a Delaware corporation (the "Assignee") and NORRAIL, INC., a Minnesota corporation (the "Assignor").

WHEREAS, Assignor owns certain items of railroad equipment (the "Equipment") which has been leased to Dakota, Minnesota & Eastern Railroad Corporation pursuant to a Master Lease Agreement, dated as of November 15, 1995 (the "Lease"); and

WHEREAS, pursuant to a certain Purchase and Sale Agreement (the "Purchase Agreement") of even date herewith, Assignor has agreed to sell and Assignee has agreed to purchase certain Assets, including but not limited to all of Assignor's right, title, and interest in the Lease and the Equipment (as such terms are defined in the Purchase Agreement); and

WHEREAS, with respect to periods on and after the date of execution and delivery of this Assignment Agreement, Assignee desires to acquire from Assignor and Assignor desires to sell to Assignee its right, title, and interest to the Assets, and Assignee is willing to assume all of Assignor's Obligations (as such terms are defined in the Purchase Agreement);

NOW, THEREFORE, in consideration of the promises herein made and subject to the terms and conditions herein set forth, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined herein shall have the meanings specified in the Purchase Agreement.

2. Assignment. Assignor hereby sells, assigns, transfers, and conveys to Assignee all of Assignor's right, title, and interest in and to the Assets with respect to periods on and after the date of execution and delivery of this Agreement.

3. Assumption. Assignee hereby accepts the foregoing assignment, and with respect to periods on and after the execution and delivery of this Assignment Agreement, for the benefit of Assignor and each of the other parties having interests in the Lease and other agreements comprising the Contract Rights, hereby consents that it shall be a party to the Lease and other agreements comprising the Contract Rights, and Assignee hereby assumes all of Assignor's Obligations and agrees, to such extent, to be bound by all of the terms of such agreements.

4. Counterparts. This Assignment Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5. Successors and Assigns. The terms of this Assignment Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto, and their respective successors and assigns.

6. Governing Law. This Assignment Agreement shall be construed and enforced in accordance with the laws of the State of Minnesota.

7. Further Assurances. Each party agrees that from time to time after the date hereof it shall execute and deliver, or cause to be executed and delivered, such instruments, documents, and papers, and take all such further action, as may be reasonably required in order to consummate more effectively the purposes of this Assignment Agreement and to implement the transactions contemplated hereby. Assignor covenants and agrees to cooperate with Assignee in connection with any litigation arising with respect to the Assets.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement to be duly executed and delivered on the day and year first above written.

ASSIGNOR:

NORRAIL, INC.

By

Its

Russell J. Adams
Vice President

ASSIGNEE:

FBS BUSINESS FINANCE CORPORATION

By

Its

Deborah A. Eckert
Assistant Vice President

STATE OF Minnesota

COUNTY OF Wright

On this 8th day of May, 1996, before me personally came Russell S. Adams to me known, who, being by me duly sworn, did depose and say that he is the V.P. Sales of NorRail Inc, a MN corporation, and he acknowledged to me that he executed the foregoing document on behalf of said corporation by order of its Board of Directors and that such document was the free act and deed of said corporation.

Witness my hand and official seal.



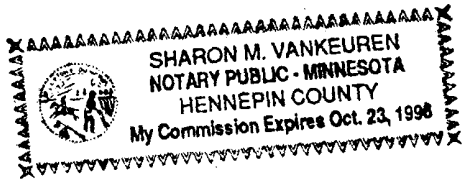
Joann M. Pelinka
Notary Public in and for said State
My commission expires: 1/31/2000

STATE OF MINNESOTA

COUNTY OF Hennepin

On this 8TH day of MAY, 1996 before me personally came Deborah T. Eckert to me known, who, being by me duly sworn, did depose and say that she is the A.V.P. of FBS Business Finance Corp a Delaware corporation, and he acknowledged to me that he executed the foregoing document on behalf of said corporation by order of its Board of Directors and that such document was the free act and deed of said corporation.

Witness my hand and official seal.



Sharon Van Keuren
Notary Public in and for said State
My commission expires: 10-23-96